





For Release: Thursday, November 12, 2020

20-2121-SAN

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# Consumer Price Index, Phoenix area — October 2020 Area prices were up 0.3 percent over the past two months, up 0.7 percent from a year ago

Prices in the Phoenix area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.3 percent for the two months ending in October 2020, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Richard Holden noted that the October increase was influenced by higher prices for shelter and food. (Data in this report are not seasonally adjusted. Accordingly, bi-monthly changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U increased 0.7 percent. The index for all items less food and energy increased 1.4 percent over the year. Food prices rose 3.1 percent. Energy prices fell 10.8 percent, largely the result of a decrease in the price of gasoline. (See table 1.)

#### **Food**

Food prices rose 1.1 percent for the two months ending in October. (See table 1.) Prices for food away from home increased 1.9 percent, and prices for food at home inched up 0.2 percent for the same period.

Over the year, food prices rose 3.1 percent. Prices for food away from home rose 3.8 percent. Prices for food at home rose 2.8 percent since a year ago, led by higher prices for dairy and related products (11.7 percent).

#### Energy

The energy index decreased 2.4 percent for the two months ending in October. The decrease was mainly due to lower prices for electricity (-2.8 percent). Prices for gasoline declined 2.3 percent, but prices for natural gas service advanced 1.2 percent for the same period.

Energy prices fell 10.8 percent over the year, largely due to lower prices for gasoline (-22.8 percent). Prices for natural gas service declined 0.9 percent, while prices paid for electricity were unchanged during the past year.

#### All items less food and energy

The index for all items less food and energy advanced 0.4 percent in the latest two-month period. Higher prices for used cars and trucks (2.8 percent) and shelter (0.7 percent) were partially offset by lower prices for motor vehicle insurance (-5.9 percent) and new vehicles (-2.2 percent).

Over the year, the index for all items less food and energy increased 1.4 percent. Components contributing to the increase included used cars and trucks (11.3 percent) and shelter (3.5 percent). Partly offsetting the increases were price decreases in apparel (-4.9 percent) and motor vehicle insurance (-7.5 percent).

The December 2020 Consumer Price Index for the Phoenix area is scheduled to be released on January 13, 2021.

## Coronavirus (COVID-19) Pandemic Impact on October 2020 Consumer Price Index Data

Data collection by personal visit for the Consumer Price Index (CPI) program has been suspended since March 16, 2020. When possible, data normally collected by personal visit were collected either online or by phone. Additionally, data collection in October was affected by the temporary closing or limited operations of certain types of establishments. These factors resulted in an increase in the number of prices considered temporarily unavailable and imputed.

While the CPI program attempted to collect as much data as possible, many indexes are based on smaller amounts of collected prices than usual, and a small number of indexes that are normally published were not published this month. Additional information is available at <a href="https://www.bls.gov/covid19/effects-of-covid-19-pandemic-on-consumer-price-index.htm">https://www.bls.gov/covid19/effects-of-covid-19-pandemic-on-consumer-price-index.htm</a>.

### **Technical Note**

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/homch17 a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater

volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.** 

The Phoenix-Mesa-Scottsdale metropolitan area covered in this release consists of Maricopa and Pinal Counties in the State of Arizona.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Phoenix-Mesa-Scottsdale (December 2001=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Aug. 2020	Sep. 2020	Oct. 2020	Oct. 2019	Aug. 2020	Sep. 2020
Expenditure category						
All items	146.395	-	146.830	0.7	0.3	,
Food and beverages	153.287	_	155.403	3.6	1.4	
Food	154.657	_	156.282	3.1	1.1	
Food at home	150.609	150.656	150.911	2.8	0.2	0.2
Cereals and bakery products	185.045	-	186.972	-1.3	1.0	
Meats, poultry, fish, and eggs	185.239	_	180.911	-1.4	-2.3	
Dairy and related products	125.833	_	126.511	11.7	0.5	
Fruits and vegetables	128.575	_	128.168	0.0	-0.3	
Nonalcoholic beverages and beverage materials	114.675	-	114.989	8.6	0.3	
Other food at home	148.694	-	150.967	3.7	1.5	
Food away from home	162.050	-	165.165	3.8	1.9	
Alcoholic beverages	140.690	-	149.613	9.2	6.3	
Housing	154.712	-	155.407	3.0	0.4	
Shelter	161.102	161.644	162.212	3.5	0.7	0.4
Rent of primary residence	171.080	172.052	172.967	4.3	1.1	0.9
Owners' equiv. rent of residences	159.235	160.098	160.559	3.3	0.8	0.3
Owners' equiv. rent of primary residence.	159.235	160.098	160.559	3.3	0.8	0.3
Fuels and utilities	177.365	_	174.185	1.6	-1.8	
Household energy	181.708	177.069	177.223	0.4	-2.5	0.
Energy services	181.466	176.835	176.972	0.4	-2.5	0.
Electricity	197.570	192.024	192.102	0.0	-2.8	0.0
Utility (piped) gas service	94.725	95.358	95.861	-0.9	1.2	0.5
Household furnishings and operations	99.958	_	100.886	0.0	0.9	
Apparel	128.422	_	130.344	-4.9	1.5	
Transportation	123.522	_	123.758	-5.5	0.2	
Private transportation	127.571	_	126.095	-5.0	-1.2	
New and used motor vehicles	95.692	_	95.196	2.9	-0.5	
New vehicles	97.070	_	94.906	1.0	-2.2	
Used cars and trucks	91.451	_	94.008	11.3	2.8	
Motor fuel	199.203	198.681	194.545	-22.8	-2.3	-2.
Gasoline (all types)	199.575	199.085	194.937	-22.8	-2.3	-2.
Gasoline, unleaded regular(1)	198.768	198.422	193.823	-23.7	-2.5	-2.3
Gasoline, unleaded midgrade(1)	213.328	210.876	210.840	-19.6	-1.2	0.0
Gasoline, unleaded premium(1)	206.854	205.874	203.524	-18.2	-1.6	-1.
Motor vehicle insurance	166.092		156.315	-7.5	-5.9	
Medical care	-	_	-	-	-	
Recreation	116.491	_	116.236	-0.3	-0.2	
Education and communication	118.901	_	119.442	2.2	0.5	
Tuition, other school fees, and child care	-	_	-		-	
Other goods and services	146.433	-	-	-	-	
Commodity and service group						
All items	146.395	-	146.830	0.7	0.3	
Commodities	124.065	-	124.911	-1.7	0.7	
Commodities less food & beverages	109.443	-	109.750	-4.7	0.3	
Nondurables less food & beverages	143.050	-	143.150	-9.7	0.1	
Durables	80.249	-	80.657	2.1	0.5	
Services	161.911	-	162.033	2.0	0.1	
Special aggregate indexes						

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Phoenix-Mesa-Scottsdale (December 2001=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from-		
	Aug. 2020	Sep. 2020	Oct. 2020	Oct. 2019	Aug. 2020	Sep. 2020
All items less medical care	142.802	-	143.450	0.8	0.5	-
All items less shelter	138.730	-	138.858	-0.9	0.1	-
Commodities less food	110.598	-	111.140	-4.2	0.5	-
Nondurables	148.526	-	149.651	-3.2	0.8	-
Nondurables less food	142.698	-	143.373	-8.5	0.5	-
Services less rent of shelter	162.481	-	161.440	0.4	-0.6	-
Services less medical care services	157.720	-	158.213	1.8	0.3	-
Energy	193.056	190.146	188.405	-10.8	-2.4	-0.9
All items less energy	143.682	-	144.376	1.6	0.5	-
All items less food and energy	141.934	-	142.496	1.4	0.4	-

#### Footnotes

NOTE: Index applies to a month as a whole, not to any specific date.

<sup>(1)</sup> Special index based on a substantially smaller sample.

<sup>-</sup> Data not available